



**GARY R. HERBERT**  
Governor

**GREG BELL**  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

**MICHAEL R. STYLER**  
Executive Director

### Division of Oil, Gas and Mining

**JOHN R. BAZA**  
Division Director

## Inspection Report

Permit Number:	C0070033
Inspection Type:	COMPLETE
Inspection Date:	Thursday, January 20, 2011
Start Date/Time:	1/20/2011 9:30:00 AM
End Date/Time:	1/20/2011 11:30:00 AM
Last Inspection:	Friday, December 09, 2011

Inspector: Pete Hess

Weather: Clear; warmer, 30's F

InspectionID Report Number: 2626

Accepted by: jhelfric

1/26/2011

Permittee: **ANDALEX RESOURCES INC**

Operator: **ANDALEX RESOURCES INC**

Site: **WILDCAT LOADOUT**

Address: **PO BOX 910, EAST CARBON UT 84520-0910**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

100.00	<b>Total Permitted</b>
78.45	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal  
☐ State  
☐ County  
☐ Fee  
☐ Other

#### Types of Operations

- ☐ Underground  
☐ Surface  
☒ Loadout  
☒ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Wildcat Loadout site remains in temporary cessation status; the only activity occurring is the placement of iron laden sludge from the Crandall Canyon Mine sediment pond into Pond "C". The gates on the west side of the RR tracks are being left open for tank truck access.

Inspector's Signature:

*Pete Hess*

Pete Hess,

Inspector ID Number: 46

Date

Monday, January 20, 2011



Note: This inspection report was generated by the Division of Oil, Gas and Mining. It is not a legal document and does not constitute a permit. It is subject to review and approval by the Division of Oil, Gas and Mining. For more information, please contact the Division of Oil, Gas and Mining at (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • [www.ogm.utah.gov](http://www.ogm.utah.gov)

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## Inspection Continuation Sheet

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### REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

To date, the Division has not received an application to transfer the permit from Andalex Resources, Inc. to the Inter-mountain Power Agency. The current Permittee has recently received Division approval updating the ownership and control information for UtahAmerican Energy (See Task ID #3716; approval date January 4, 2011). The current permit issued to UtahAmerican Energy, Inc. by the Division remains in effect through May 5, 2014.

**3. Topsoil**

The area east of the main stockpile area where coal fines were removed remains stable. Melt water was not observed in pools. The straw mulch appears to be holding and the area appears stable. To date, no topsoil recovery has occurred from this area.

**4.a Hydrologic Balance: Diversions**

The sites diversions appeared capable of functioning as designed. Some of the road drainage controls are starting to silt in. A road grader is on site to address these controls when soil conditions improve.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Most of the snow accumulation at the site has melted and reported to ponds A and C. All other ponds are dry. No compliance issues were identified. Mr. Shaver conducted the fourth quarter of 2010 impoundment inspections for ponds A,B,C,D,E, F and the permanent impoundment on December 13th. All ponds were reported as stable, and dry, save pond "C", which was receiving sludge at the time of the inspection. No compliance issues were identified with any ponds during the DOGM inspection conducted this day.

**4.d Hydrologic Balance: Water Monitoring**

The Division notified the Permittee on January 5, 2011 that the Third Quarter of 2010 water monitoring data for the Wildcat Loadout permit area had been uploaded into the Division's permanent data base (Task ID # 3644). It appears that all required sample points had been monitored with all required parameters having data reported.

**4.e Hydrologic Balance: Effluent Limitations**

The Division is not aware of any of the sites ponds discharging recently. Pond "E" had the last reportable outfall on August 6, 2007. DMR's were reviewed and no outfalls were reported during the last three month period. The current UPDES permit for Wildcat remains in effect until April 30, 2013.

**7. Coal Mine Waste, Refuse Piles, Impoundments**

Mr. David Hibbs, Utah registered professional engineer, conducted the Fourth Quarter of 2010 waste rock pile inspection for the Permittee on December 13, 2010. The slopes of this disposal area are stable and graded, as was noted on 12/13 and during today's inspection. No water is being impounded. Mr. Hibbs completed the P.E. certification requirements for the 12/13 inspection on the same day.

**9. Protection of Fish, Wildlife and Related Environmental Issues**

No wildlife was observed during today's inspection.

**19. AVS Check**

Please refer to comment in section 1 relative to the ownership and control update for UtahAmerican Energy, Inc.

**20. Air Quality Permit**

The current Air Quality approval order (DAQE-005-00) was issued on January 5, 2000. At present, there are no coal stockpiles on site.

**21. Bonding and Insurance**

The current general liability insurance coverage remains in effect through June 1, 2011. The reclamation bond amount for this site amounts to \$ 1,144,000. This amount is ensured by the Rockwood Casualty Insurance Company, which has an A.M. Best rating of "A", as of December 31, 2010.